

LOCAL TAXES FOR STREETS AND ROADS
RCW 82.80

<u>Tax Base</u>	<ol style="list-style-type: none">1. Commercial Parking Tax (RCW 82.80.030). Parking of vehicles in commercial parking facilities. The tax is either: (1) levied on the parking business and is measured by gross proceeds or the number of stalls available for commercial parking, or (2) levied on the customers who park in the commercial facility and is measured by a flat fee per vehicle or the amount of the charge for parking.2. Street Utility Tax (RCW 82.80.050). Cities may levy a tax on commercial businesses and residential properties. The tax on firms is measured by the number of employees, while the tax on residences is measured by housing units as defined in RCW 35.95.040. (See legal ruling discussed below.)
<u>Tax Rate</u>	<ol style="list-style-type: none">1. Commercial Parking Tax; rates not specified in statute.2. Street Utility Tax; up to \$2.00 per employee or residential housing unit.
<u>Levied by</u>	<ol style="list-style-type: none">1. Parking Tax - cities and counties.2. Street Utility Tax - cities and towns.
<u>Administration</u>	Owners or operators of commercial parking facilities report to the levying city or county on a monthly, quarterly or annual basis. Cities may contract for the administration of the street utility tax.
<u>Recent Collections</u>	According to data reported by local governments to the State Auditor via the Budget, Accounting and Revenue System, cities collected \$5.3 million in parking taxes during calendar year 2000. Counties reported no collections. It is not known whether any cities levy the street utility tax.
<u>Distribution of Receipts</u>	Proceeds must be used for local transportation purposes, including street and road improvements, public transportation, and high capacity transit facilities, pursuant to RCW 82.80.070.

Exemptions

- tax exempt carpools;
- vehicles with handicapped decals;
- government vehicles;
- publicly owned property, property exempt from leasehold excise tax and nonprofit organizations are exempt from the street utility tax; and
- street utility tax: low-income senior citizens and other low-income citizens.

History

Authorizing legislation for the local taxes was adopted in 1990.

Discussion/Major Issues

State and local retail sales tax already applies to charges for parking of vehicles. The sales tax is measured by the final selling price paid by the consumer and will therefore include the amount of the local parking tax that is included in the price charged by the operator of the parking facility.

In an appellate court decision, Libby Covell et al v. the City of Seattle (1996), the court ruled that the \$2 per month tax on households (\$1.35 per unit in multiple unit dwelling facilities) constituted a property tax rather than a regulatory or utility fee. According to this decision, the levy was improperly assessed because the rate was not uniform for all types of property.